
Hot Chili Completes \$8 Million Placement With Two Cornerstone Investors

- \$8 million placement at 60 cents per share
 - Cornerstone investors Panoramic Resources Limited (Panoramic) and Taurus Funds Management Pty Limited (Taurus) become Hot Chili shareholders
 - Preliminary economic studies to commence immediately following initial resource release at the Productora multi-commodity copper project in Chile
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Hot Chili Limited (ASX Code: HCH) is pleased to announce that it has completed a private placement with Panoramic and Taurus to raise AU\$8 million in funds. Both Panoramic and Taurus will be issued cornerstone positions of 6,666,667 new shares at AUD\$0.60 cents per share. Following the issue of shares, each will hold 4.1% of Hot Chili's expanded capital structure.

The new funds will be used to complete existing work programmes and execute the commencement of economic studies immediately following the anticipated release in early September of the Company's first resource at Productora. Planning is underway for the commencement of an extensive drilling programme aimed at rapidly delivering expanded resources at both of its advanced projects Productora and Los Mantos.

The placement is being conducted within the Company's "15% limit" permitted under the listing rules. Hot Chili has issued 6,666,667 new shares at AUD\$0.60 cents per share today following the receipt of AU\$4 million in funds from Panoramic. Completion of the AU\$8 million placement and issue of the remaining 6,666,667 shares to Taurus is expected to take place on or before 12th of August.

About Panoramic Resources and Taurus Funds Management

The participation of both Panoramic and Taurus as cornerstone investors is a strong vote of confidence in Hot Chili's projects and development strategy.

Panoramic Resources Limited (ASX Code PAN) is an established Australian mining company operating two underground nickel sulphide mines, the Savannah Project in the Kimberley, and the Lanfranchi Project near Kambalda, and is aggressively exploring the recently acquired Gidgee Gold Project. Panoramic has an experienced management team and is a highly regarded mine operator with strong project development capabilities. Panoramic has over \$100M in cash and receivables, no bank debt and

is continually looking to grow its existing business through internal exploration success, outside acquisitions and/or joint ventures and alliances with the objective of becoming a significant diversified mining company.

Taurus Funds Management is a dedicated manager of investment strategies in the mineral commodities sector, particularly focusing on early stage mining projects and companies. The Taurus team has a strong mining operational and development background particularly in the copper industry.

Productora First Resource On-Track

Following 10 months of intensive drilling activities involving the completion of over 27,000m of RC and 5,500m of diamond drilling, Hot Chili has temporarily suspended drilling activities to allow for the estimation of its first resource at Productora. Once all assays are received for the final 8 diamond holes and 7 RC holes the Company will finalise its first resource estimation over the central 1.4km of the project.

Hot Chili has commenced the design of a large extensional drilling programme at Productora which will aim to rapidly define additional resources in three target zones:

- Along the 9km defined strike length of the Productora deposit footprint as defined by drilling to date, geophysics, geochemistry and structural mapping. Hot Chili has achieved drilling intersections across the mineralised breccia for over 2.5km within its landholdings. Mineralisation remains open along strike.
- Below the depth of drilling base across 1.4km of strike length within the central area of the project. The decision to extend the base of the initial resource at depth will be determined in the coming months.
- Adjacent to the initial resource within the central area of the project. Notably, recent resource drilling has continued to intersect new mineralised zones along the eastern extent of the deposit.

The extensional drilling programme will be undertaken in conjunction with economic scoping studies once the initial resource at Productora is complete.

Los Mantos Remaining Drilling Results Due Shortly

Remaining sampling and logging of the first-pass 10,000m drilling programme at Los Mantos is now complete. Approximately 14 RC holes have been dispatched to ALS Chemex laboratories and these results are expected over coming weeks.

The Company is also commencing the design of a second-pass 15,000m in-fill RC and diamond drilling programme to further test the multi-commodity copper deposit at Los Mantos. Once this drilling is complete, the Company aims to produce a preliminary resource calculation for the project.

The directors of Hot Chili are pleased with the participation of both Panoramic and Taurus as cornerstone investors in the lead up to the anticipated announcement of the Company's first resource. Their participation gives the Company increased confidence in the potential of Productora to become a significant new copper development. The Company intends to direct the funds towards development studies and accelerated drilling to provide rapid resource growth.

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Competent Person's statement

Information in this announcement that relates to exploration results or mineral resources is based on information compiled by Mr Christian Easterday, a Director, who is a Member of The Australian Institute of Geoscientists. Mr Easterday has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a 'Competent Person' as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (the JORC Code). Mr Easterday consents to the inclusion in this announcement of the statements based on his information in the form and context in which they appear.